

GLIA • WHITE PAPER

Guided Small Business Lending in Times of Need



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*Digital Customer Service for Smoother
End-to-End Loan Servicing*



Executive Summary

The unfortunate and unforeseeable events of early 2020 changed the small businesses landscape for the foreseeable future. This white paper explores the lasting impact this has had on in-person lending and servicing (whether line of credit, PPP, Construction and Industrial (C&I) or other credit products) and what can be done to keep relationship banking alive in an online, post-COVID era.

Key takeaways include:

- Small Business lending is more important than ever in this environment.
- In-person assistance is limited, but borrowers still require hand-holding.
- Surging call volume, coupled with loan origination and servicing complexity, results in long wait/call times and a need for representatives to get on “same page” with callers.
- Banks are becoming “Borrowing Coaches”, and can use Digital Customer Service to reduce application abandons and servicing call times while ensuring that small businesses and their banking relationship remain for the future.

Small businesses are a vital part of our economy. [According to the SBA](#) (Small Business Administration), they generate 44% of US economic activity. Most look to their banking relationships for guidance and working capital to help them start, grow, and sustain operations in good times and bad. It is estimated that small businesses [borrow over \\$600 Billion each year](#), with the majority from banks.

In early 2020, social distancing requirements created new economic hardships for small businesses, posing a real risk of losing everything due to the lack of reserves and diversification that large corporations have to weather the storm. Many businesses had to limit or close their physical operations. This forced many to seek life-saving credit and advice from their trusted banks, only to find familiar face-to-face access to branch personnel limited or non-existent because of social distancing.

On March 27, 2020, the US Government and the SBA announced the Payroll Protection Program (PPP), as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), to enable banking institutions to provide forgivable loans to help their small businesses clients with payroll and related expenses.

PPP-related or not, borrowing is a big deal for small businesses. The application process can be confusing and stressful. Even the best loan processes require hand-holding for successful outcomes—from the point of origination through servicing (including collecting proof that loan forgiveness criteria are met for PPP loans). But social distancing took a toll on branches and in-person relationship banking, further stressing borrowers as well as the banks that serve them.

This paper shows how easy it is to bring clarity to small business borrowing as applications and servicing shift online. CoBrowsing and video can bring the in-person branch experience online to expedite processes, improve customer service, and ensure businesses survive to remain customers for the long haul.

Borrowers Want Coaches

Small business owners may know a lot about their products, services, and customers, but few are experts in finance. What seems simple to the lender can still be confusing to the small business borrower who may not be sure what business type to select or what their NAICS classification is. How do you help them when they get stuck and have questions filling out that online form or uploading documentation when in-person assistance is not an option?

Most likely there will be a phone number to call that a customer can use, but when the borrower has a question about something on-screen, the conversation often seems like walking around with a blindfold as each party relies on the other to describe what is

happening and what direction to take. That's not efficient or satisfying for either party. It doesn't have to be that way, but more on that later.



Business owners look to banks for guidance and coaching on what loan(s) to consider as well as how to actually prepare for and complete the application process. How you respond to their questions in their time of need can make or break your long-term banking relationship, not to mention their viability as a business (especially in the case of PPP loans).

But banks already understand this. [*The 2018 FDIC Small Business Lending Survey*](#) revealed an overwhelming majority—86.5% of small banks and 83.5% of large banks—list customer service as one of their top advantages. The report states, “a core set of practices centering on locally-based personal interactions characterizes much of small business lending regardless of bank size.”

Worst Case Scenario - PPP

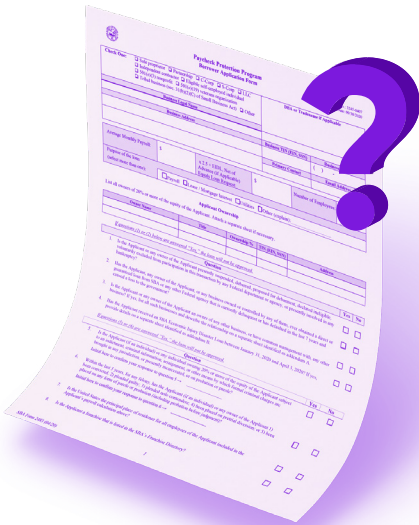
Depending on when you are reading this, your bank may be involved in one or more phases of Payroll Protection Program loan servicing. Even if you are past that, or not involved at all, this provides an extreme example of accelerated loan demand and servicing complexity for all! It also presents a powerful use-case for adding Digital Customer Service to ANY lending process.

PPP was intended to provide life support to small businesses and their employees. But urgency led the program being to be rolled out quickly, with minimal time or guidance for lenders and borrowers to properly prepare.

Small businesses were desperate and confused about where to go, what they needed, and how to apply. Fueled by a media frenzy, many desperately scrambled to apply before funds dried up. Under normal circumstances, they might have researched and collected the required information and documents beforehand. But short timeframes, lack of clarity, and requests for unfamiliar data meant many questions and potential sticking points for borrowers and created room for errors that can kill the process and ultimately the business.

Lenders struggle too without the luxury of preparation. The rapid PPP roll-out bypassed banks' normal planning processes, forcing them to jump in with unclear guidelines, unprecedented volume, and uncooperative systems (including an over-taxed E-Tran). In addition, they had to train socially distanced associates on new systems, rules, and processes so they could properly service loans.

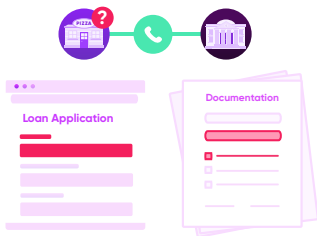
To further complicate matters, PPP loan forgiveness compliance (despite vague criteria to prevent conversion to a 1% loan) includes weeks and months of complex post-application servicing. **That adds up to more confusion for borrowers and greater need for assistance.**



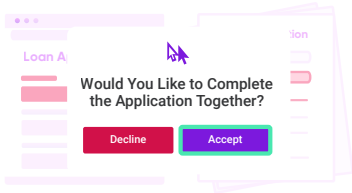
Loan Support Phone Call



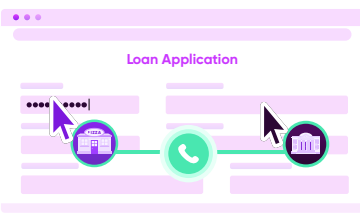
1. Borrower Needs Coaching



2. Lender Offers Collaboration



3. Guided Phone + Web Session



4. Better Efficiency & Experience



Clarity from Confusion - Opportunity to Shine

In the PPP example above, we illustrated an uncommonly complex loan process, and the confusion it creates for everyone involved. Regardless of the type of small business lending program, a seemingly straightforward question on a form can still be a sticking point for a borrower who needs your help to be successful.

Let's return to that image of a blind-folded representative we spoke of earlier. When a customer reaches out with questions, the interaction often feels like that, as you both expend unnecessary effort trying to explain things to each other. Explanation alone is inefficient and frustrating for all!

What would happen if—instead of guessing—everyone shared a common visual reference online? That's what CoBrowsing and Screen Sharing are all about. Imagine seeing what the borrower is seeing and being able to share documents, point to a button, review pull-down options, guide to a help page with supporting document examples, and even complete the process together as you talk through everything? What speed and clarity would that bring to the conversation? What errors could you avoid? And what if you could use video to look them in the eyes to provide comfort and confidence in their time or need? How satisfying would that be for everyone, including the other callers in the queue who don't have to wait as long because you're servicing borrowers more productively and efficiently?

Digital Customer Service (DCS) makes that clarity a reality, and you don't need a forklift to make a difference right now. With minimal effort, you can quickly add CoBrowsing, Screen Sharing and Video Chat to your existing phone processes to visually augment calls and support the loan process (even PPP) at the point of need.

Call Visualization and Beyond

Adding call visualization to your lending support processes helps you forge and sustain long-lasting small business relationships. And Digital Customer Service provides far more benefits to delight your customers and secure your position against even your biggest competitors.

Glia can provide more details but here are just a few ways you can further enhance the lending process from origination to servicing:

Banks using CoBrowsing and Video assistance have seen 60% drops in abandons, 20% increases in Customer Satisfaction Scores and many other benefits.

- 1. Take the questions to your experts.** DCS is location-independent so anyone, anywhere in your organization can help a borrower in need. That includes home workers and those outside of the traditional call center.
- 2. Personalize with video.** One- or two-way video adds a trust element and an in-branch feel that can help borrowers feel more comfortable signing.
- 3. Optimize with multi-chat and chatbots.** Further, augment or replace phone calls with intuitive multi-chat from live associates or specialized lending bots with the same CoBrowsing capabilities
- 4. Leverage knowledgebases and servicing apps.** The agent interacts through a simple, intuitive browser experience that can unify all applications needed in one place to enhance agent effectiveness.

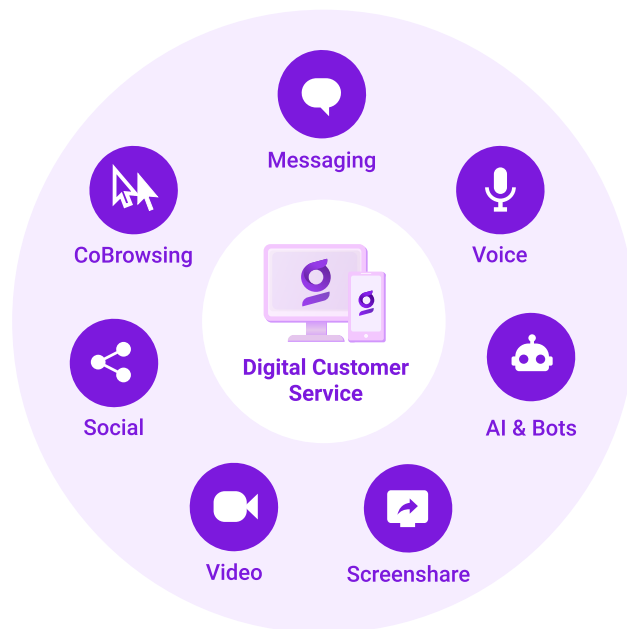
Be a Lending Sherpa

Sherpas are the people who serve as expert guides on mountain-climbing expeditions in the Himalayas. Like the example above, the small business loan process can seem like a mountain to some borrowers, so why not take a Sherpa approach to your lending activities outside of the branch environment? Be the guide! It's the kind of interest that borrowers actually crave.

Summary

In times of need, borrowers need all the support they can get from their lenders. Whether adding CoBrowsing and Screen Sharing to your existing call flow to expedite servicing, video to personalize interactions, or implementing an AI-enabled multi-channel virtual contact center to serve all your business customers, Glia is here to be YOUR sherpa. Our technology and people help you get where you want to go. And implementing Glia Digital Customer Service technology doesn't require climbing a mountain—it starts with just a single line of code added to your digital properties.

Reach out to Glia for a demonstration of Call Visualizer or our full DCS platform.



About Glia

Glia provides digital customer service technology that is reinventing how businesses support clients online. Glia's solution enriches customer touchpoints on web, mobile, or phone calls with communication choices (from messaging to video chat), on-screen collaboration, and AI-enabled personalized experiences. Banks, Credit Unions, Insurers and Fortune 500 enterprises use Glia today to quickly maximize customer satisfaction, decrease handle times, and improve conversions. Headquartered in New York City, Glia is backed by leading venture capital investors including Insight Venture Partners, Tola Capital, Wildcat Capital Management, Grassy Creek, and Entrepreneurs Roundtable Accelerator. For more information, visit www.glia.com.